

**DEPARTMENT OF THE ARMY**

**COMPLETE STATEMENT**

**OF**

**THE HONORABLE DR. JOSEPH W. WESTPHAL  
ASSISTANT SECRETARY OF THE ARMY (CIVIL WORKS)**

**BEFORE**

**THE SUBCOMMITTEE ON ENERGY AND WATER DEVELOPMENT  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES HOUSE OF REPRESENTATIVES**

**ON**

**THE ARMY CIVIL WORKS PROGRAM  
FISCAL YEAR 2001**

**MARCH 28, 2000**



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**THE CIVIL WORKS PROGRAM BUDGET**  
**FISCAL YEAR 2001**

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE:

**INTRODUCTION**

Good morning. It is an honor and a pleasure to testify before this esteemed subcommittee of the Appropriations Committee and to present the President's budget for the Civil Works program of the Army Corps of Engineers for Fiscal Year (FY) 2001. It funds a strong program for Civil Works and is comparable to the funding levels enacted by Congress in recent years.

Accompanying me this morning are Lieutenant General Joe N. Ballard, Chief of Engineers; Major General Hans A. Van Winkle, Deputy Commanding General for Civil Works; and Mr. Thomas F. Caver, Jr., Chief of the Programs Management Division, Directorate of Civil Works.

My statement covers the following subjects:

- the FY 2001 Civil Works Program,
- the Harbor Services Fund Proposal,
- New Initiatives in the Army Civil Works Program
- Other New Civil Works Investments, and
- Highlights of the FY 2001 Continuing Program.



## **FY 2001 CIVIL WORKS PROGRAM**

The President's budget for the Army Civil Works program for FY 2001 includes nearly \$4.1 billion in the discretionary program, comparable to the amount appropriated for the program in FY 2000 and \$160 million above last year's budget proposal. Details are presented in Table A.

Last year I began by stating that Civil Works programs and policy must be based on strong partnerships with states and local communities as well as among federal agencies. We worked hard to build those partnerships, and the commitment of our non-federal sponsors to cost share Civil Works projects demonstrates the strong support our program has across the country. With the non-Federal contributions and other sources, the total FY 2001 funding for the Army Civil Works program is nearly \$4.5 billion.

I remain committed to ensuring responsive and timely allocation of our resources to meet the Nation's needs. I look forward to working with both Houses of Congress to make this happen.

## **ARMY CIVIL WORKS NEW INITIATIVES**

The FY 2001 Civil Works program includes funding for three initiatives: Comprehensive River Basin Planning; Recreation Modernization; and Riverine Ecosystem Restoration and Flood Hazard Mitigation

### Comprehensive River Basin Planning

The first is an initiative that I strongly support and the Nation sorely needs. It has been nearly 20 years since the last major effort was initiated to understand and assess the complex relationships among various water resources problems and opportunities. On a river-basin wide basis, the Federal Government needs a comprehensive approach to water resources to work effectively with states, counties, tribes, and river basin authorities in assessing today's competing water uses.

The Army Civil Works FY 2001 budget commits \$2 million to initiate four broad river basin studies. These studies, which will be carried out in coordination with other federal agencies and regional stakeholders, will adopt a holistic approach and include multi-jurisdictional and trans-national considerations in resolving water resources issues. Two of these, the Rio Grande River Basin and the White River Basin in Arkansas, would proceed under the authority of section 729 of the Water Resources Development Act (WRDA) of 1986. The other two, the Yellowstone River Basin, Montana, and the Missouri and Middle Mississippi River Basins, would proceed under specific authorizations.



### Recreation Modernization

I am also pleased to announce that we will invest construction dollars in an area long-overlooked—our Nation's recreation areas. The Corps of Engineers is responsible for 4,340 recreation areas at 456 lakes in 42 states. These recreation areas host 377 million visitors annually.

The Civil Works FY 2001 budget includes \$27 million to initiate the Recreation Modernization Program. Under this program, we will replace or rehabilitate facilities at some of the 2,389 recreation areas that the Corps of Engineers manages directly. Most of the facilities at Corps managed recreation areas were constructed in the 1960s and 1970s. The combination of heavy use, lack of routine maintenance, and changes in visitor needs has caused significant deterioration of recreation facilities and the natural resource base at some of our lakes.

The \$27 million in the FY 2001 budget will begin to implement this program. We hope to modernize many of the Corps managed recreation areas over the next 5 to 10 years. These improvements include upgrading facilities, installing more family oriented facilities, and improving general access to water-related recreation opportunities.

### Riverine Ecosystem Restoration and Flood Hazard Mitigation

I am also pleased to tell you that this year's budget includes \$20 million to initiate the Challenge 21 – Riverine Ecosystem Restoration and Flood Hazard Mitigation Program authorized by WRDA 1999. This initiative expands the use of nonstructural flood hazard mitigation measures and restoration of riverine ecosystems to allow natural moderation of floods and provide other benefits to communities and the environment. Challenge 21 will create partnerships with communities and create a framework for more effective coordination with key agencies to develop comprehensive flood damage reduction solutions, while restoring natural values of flood plains and wetlands.

## **NEW INVESTMENT PROGRAM**

The FY 2001 budget for the Army Civil Works includes \$82 million for new investments with a total cost of \$1.6 billion. Of that, \$412 million will be financed directly by non-Federal sponsors (including lands, easements, rights-of-way, and relocations). The Federal share is \$1.2 billion. Details are presented in Table B.

The FY 2001 budget includes four new surveys, one special study, one new Preconstruction Engineering and Design (PED) start, four comprehensive studies, the



three new programs that I have discussed, and 12 new construction starts. The new construction starts include:

- 2 environmental restoration projects;
- 2 commercial navigation projects;
- 4 flood damage reduction projects;
- 1 shore protection of critical environmental resources;
- 2 major rehabilitation projects, and
- 1 deficiency correction.

### **HARBOR SERVICES FUND PROPOSAL**

Like last year, a significant portion of the Civil Works budget is based on enactment of the proposed Harbor Services User Fee legislation that was transmitted to Congress. This new user fee would replace the Harbor Maintenance Tax (HMT), a portion of which was found unconstitutional. The HMT has also been the subject of questions raised by U.S. trading partners regarding claims that it violates the General Agreement on Tariffs and Trade. This fee would collect about the same total amount of revenue as would have been collected under the HMT prior to the Supreme Court's decision.

The new user fees would make up \$950 million of the FY 2001 Budget (\$700 million for maintenance and \$250 million for construction) and would enable commercial harbor and channel work to proceed on optimal schedules. I urge you to enact legislation to replace the Harbor Maintenance Tax with the Harbor Services User Fee.

### **HIGHLIGHTS OF THE FY 2001 CONTINUING PROGRAM**

The Army continues to be committed to the Civil Works missions of navigation and flood damage reduction. Other missions that contribute net economic benefits to the Nation are investments in hydropower, water supply, shore protection and recreation. In recent years, the Army's Civil Works responsibilities increasingly have expanded to include the restoration of the environment, with particular emphasis on restoring aquatic and wetland ecosystems.

Environmental programs make up about 18.2 percent of the FY 2001 Army Civil Works budget, or more than \$740 million. This includes \$125 million for the Regulatory Program; \$140 million for the Formerly Utilized Sites Remedial Action Program; \$91 million for the Columbia River Fish Mitigation program in the Pacific Northwest; and \$158 million to restore, preserve and protect the Everglades and South Florida ecosystem. Also included are \$28 million to fund the environmental restoration continuing authorities programs.



## General Investigations

The budget for the Civil Works study program is \$138 million, \$3 million more than last year's request. Overall, the level of funding we propose for the General Investigations account is consistent with our plan to stabilize the Civil Works budget in the future. There is a large amount of construction work waiting for funding -- more than the funds we can reasonably expect in the future. The study program feeds this pipeline of construction work. This budget keeps project study funding at a lower level, in order to reduce the backlog of potential construction projects that are beyond our capacity to budget within a reasonable time frame. Once the backlog of costly projects is worked down somewhat, then we expect to resume funding for studies at a higher level.

We believe that keeping study funding at this level is the right thing to do for our local sponsors, who expect timely construction of projects, once studies are completed and the projects are authorized.

We are also requesting a \$6.6 million supplemental appropriation to conduct studies of an outlet for Devil's Lake, North Dakota, as well as \$1.5 million to study the feasibility of a flood damage reduction project for Princeville, North Carolina.

## Construction, General

The FY 2001 budget for the Civil Works Construction, General program is \$1.346 billion, of which \$1.268 billion is for the continuing program. Of the total, \$250 million would be derived from the proposed Harbor Services Fund, allowing port related projects to proceed at optimal rates. This will enhance the competitiveness of our Nation's ports and harbors.

Continuing construction of inland waterway, flood damage reduction and other projects is budgeted at a level that will, on average, result in completion of projects on about the same schedules as proposed in last year's budget.

- South Florida Ecosystem Restoration. The Everglades is an ecosystem of international importance. It is also one that has dramatically deteriorated since the turn of the 20th Century. It is very important that we aggressively restoring this treasure that is so important to the Nation. Construction funding for the projects that will restore the Everglades and South Florida ecosystem is \$135 million. This amount includes \$90 million for the Central and Southern Florida project to continue construction work at West Palm Beach Canal, South Dade County, and manatee pass-through gates, as well as planning, engineering and design work on the Comprehensive Restoration Plan, also known as the "Restudy"; \$20 million to continue construction on the Kissimmee River Restoration project; and \$20 million for critical restoration projects authorized under the Everglades and South Florida



Ecosystem Restoration program. Of the overall amount for Everglades restoration, \$5 million is included in the new investment program to initiate construction of the Hillsboro and Okeechobee Aquifer Storage and Recovery pilot project to demonstrate aquifer storage and recovery technology.

- Columbia River Basin Fish Mitigation. The budget includes \$91 million for Corps construction activities associated with Columbia River Fish Mitigation at 8 Corps dams on the Columbia and Snake rivers and to continue the mitigation analysis which evaluates additional measures to increase fish survival at those dams. This includes \$41 million for studies of surface bypass facilities, turbine passage, gas abatement, adult passage, spillway survival, and Lower Columbia configuration.
- Continuing Authorities Program. The budget includes \$72 million for a full program of continuing and new work under the 9 activities in the Continuing Authorities Program. This amount includes \$2.5 million for beach erosion control projects (Section 103), \$9 million for emergency streambank and shoreline protection projects (Section 14), \$25 million for flood damage reduction projects (Section 205), \$0.3 million for navigation mitigation projects (Section 111), \$7 million for navigation projects (Section 107), \$0.2 million for snagging and clearing projects (Section 208), \$10 million for aquatic ecosystem restoration (Section 206), \$14 million for project modifications for improvement of the environment (Section 1135), and \$4 million for beneficial uses of dredged material (Section 204).

#### Operation and Maintenance, General

The overall funding for the Operation and Maintenance, General, account is at a healthy level: \$1.85 billion, \$18 million more than last year's request and equal to the FY 2000 appropriation. This demonstrates the Administration's commitment to maintaining the Corps' existing infrastructure, much of which is aging and requires greater upkeep. Of the \$1.85 billion, \$700 million would be derived from the Harbor Services Fund. In addition to these funds, operation and maintenance of hydropower facilities in the Pacific Northwest will be directly financed by a transfer of approximately \$108 million from Bonneville Power Administration revenues, pursuant to an agreement signed three years ago.

We are also requesting a \$19.2 million emergency supplemental appropriation for FY 00 for emergency dredging and repairs to Corps projects along the Atlantic seaboard that sustained hurricane damage.

#### Flood Control, Mississippi River and Tributaries (MR&T)

The Army is pleased that the FY 2001 budget for the MR&T account is at the same level of funding as that provided by Congress for FY 2000. Within the total, there are some



differences in proposed allocation of these funds. The FY 2001 budget emphasizes flood protection along the main stem Mississippi River and in the Atchafalaya River basin. No funding is provided to continue the Demonstration Erosion Control program. The Administration believes this program has fulfilled its purpose and should be discontinued. Any further streambank erosion control projects should be a local responsibility. Within the MR&T program, the allocation was reduced for work on those projects that primarily involve the drainage of wetlands to increase the production of surplus crops, particularly where lawsuits and continuing environmental studies have resulted in a hiatus on scheduled activities.

### Regulatory Program

The Army Civil Works Regulatory Program is funded at \$125 million to ensure that we continue to provide effective and equitable regulation of the Nation's wetlands. Through the Regulatory Program, the Army is committed to serving the public in a fair and reasonable manner while ensuring the protection of the aquatic environment, as required by laws and regulations. In FY 1999, the Regulatory Program authorized over 90,000 activities in writing, the most in any year, and over 90% of all actions were authorized in less than 60 days. Under the President's budget, this level of service is maintained. Regional and nationwide general permits help streamline the regulatory process. By the end of FY 2000, we will have established a full administrative appeals process that will allow the public to challenge permit decisions and jurisdiction determinations without costly, time-consuming litigation.

Under the Regulatory Program, we are also active in the preparation of Special Area Management Plans (SAMPs) to address development in environmentally sensitive areas. In particular, the Corps has been asked to chair a task force to work with the Environmental Protection Agency and Riverside County, California in the development, funding, and implementation of a SAMP for the Santa Margarita and San Jacinto watersheds.

Again this year, we are proposing to undertake a revision to the Regulatory User Fee, which has not changed since 1977. We ask the Subcommittee's support for this effort.

### Formerly Utilized Sites Remedial Action Program (FUSRAP)

FUSRAP is an environmental cleanup program that was transferred by Congress from the Department of Energy to the Army in FY 1998. We are continuing the implementation of needed clean-up of contaminated sites. This year's budget includes \$140 million in new appropriations for this program. This amount will be supplemented by approximately \$10 million from a Potentially Responsible Party settlement reached at one site.



### Flood control and Coastal Emergencies (FCCE)

No new funding is requested for the FCCE program for FY 2001. Sufficient carry over funding remains from prior year appropriations to finance the normal costs of emergency planning and preparation.

### **CONCLUSION**

In summary, the President's FY 2001 budget for the Army Civil Works program is a good one. It demonstrates commitment to Civil Works with a strong program of new construction; a plan to solve the constitutional problem with the existing Harbor Maintenance Tax; maintenance of existing infrastructure; continuing support for historical Civil Works missions; and increased reliance on the Army Corps of Engineers' environmental restoration expertise.

Thank you.



TABLE A  
DEPARTMENT OF THE ARMY  
CORPS OF ENGINEERS CIVIL WORKS  
FY01 DIRECT PROGRAM  
**PRESIDENT'S PROGRAM**

**FUNDING**  
(\$K)

PROGRAM	FUND											TOTAL
	HARBOR SERVICES 1/	SPECIAL PERMANENT APPRPTS 2/	PERMIT APPLCTN FEES 2/	RCRTN USER FEES	COASTAL WETLANDS RSTRTN 3/	TRUST INLAND WATERWAY 4/	SD TRRSTR L WDLF HBTT RSTRTN	GENERAL ULTIMATE 4/	INITIAL 5/	TRANSFER BNNVLL POWER ADMNSTRTN	TRUST RIVERS AND HARBORS CNTRBTNS	
COMBINED (discretionary and mandatory)												
DEFENSE												
Formerly Utilized Sites Remedial Action Program	-	-	-	-	-	-	-	140,000	140,000	-	-	140,000
DOMESTIC												
General Investigations	-	-	-	-	-	-	-	137,700	137,700	-	44,000	181,700
Construction, General	250,000	-	-	-	-	74,000	-	1,022,000	1,346,000	-	153,000	1,499,000
Operation and Maintenance, General	700,000	-	-	35,700	-	-	-	1,118,300	1,854,000	108,000	8,000	1,970,000
Flood Control, Mississippi River and Tributaries Pr	-	-	-	-	-	-	-	309,000	309,000	-	45,000	354,000
Regulatory Program	-	-	-	-	-	-	-	125,000	125,000	-	-	125,000
General Expenses	-	-	-	-	-	-	-	152,000	152,000	-	-	152,000
Flood Control and Coastal Emergencies	-	-	-	-	-	-	-	0	0	-	-	0
Revolving Fund	-	-	-	-	-	-	-	0	0	-	-	0
Permanent Appropriations	-	16,000	-	-	-	-	-	-	-	-	-	16,000
Coastal Wetlands Restoration	-	-	-	-	55,000	-	-	-	-	-	9,000	11,000
South Dakota Terrestrial Wildlife Habitat Restorati	-	-	-	-	-	-	10,000	-	-	-	-	10,000
ALL	950,000	16,000	0	35,700	55,000	74,000	10,000	3,004,000	4,063,700	108,000	251,000	4,458,700
DISCRETIONARY								3,004,000	3,004,000			3,004,000
MANDATORY	950,000	16,000	0	35,700	55,000	74,000	10,000	-	1,069,700	108,000	251,000	1,454,700

1/ Proposed special fund to replace Harbor Maintenance Trust Fund.

2/ Proposed fees for processing permit applications, to be paid to General Fund receipt account, not available to Corps.

3/ Total for interagency task force; Corps' piece is reflected under "Total."

4/ Net direct Congressional appropriation after reimbursement from mandatory "Special" and "Trust" funds, as applicable.

5/ Direct Congressional appropriation. The total for all accounts comes from the General Fund, initially. Ultimately, it is reimbursed from mandatory accounts in the amount shown opposite "Mandatory."



**TABLE B  
DEPARTMENT OF THE ARMY  
CORPS OF ENGINEERS - CIVIL WORKS  
NEW STARTS  
FISCAL YEAR 2001**

<u>STATE</u>	<u>BUDGET REQUEST</u>	<u>STATE</u>	<u>BUDGET REQUEST</u>
<u>GENERAL INVESTIGATIONS</u>		<u>CONSTRUCTION, GENERAL</u>	
<i>STUDIES</i>		<i>DEFICIENCY CORRECTION</i>	
<i>COMPREHENSIVE STUDIES</i>		GA Oates Creek, Richmond County, GA	332,000
		SUBTOTAL (1)	332,000
AR White River Basin, AR & MO	500,000	<i>ENVIRONMENTAL RESTORATION</i>	
CO Rio Grande Basin, CO, NM, & TX	500,000	FL Hillsboro and Okeechobee Aquifer, FL	4,562,000
MO Missouri River and Middle Mississippi River Environmental Enhancement, MO	500,000	AZ Rio Salado, Phoenix and Tempe, AZ	2,000,000
MT Yellowstone River Basin, MT	500,000	SUBTOTAL (2)	6,562,000
SUBTOTAL (4)	2,000,000		
<i>FLOOD DAMAGE PROTECTION</i>		<i>FLOOD CONTROL</i>	
OH Butler County, OH	100,000	CA American River, CA (Folsom Dam Modification)	5,000,000
SUBTOTAL (1)	100,000	IN Ohio River Greenway Public Access, IN	1,500,000
<i>ENVIRONMENTAL RESTORATION</i>		PR Rio Grande De Loiza, PR	743,000
MA Massachusetts and Cape Cod Bays Ecosystem Restoration, MA	100,000	PR Rio Nigua at Salinas, PR	198,000
NC Currituck Sound, NC	100,000	SUBTOTAL (4)	7,441,000
SUBTOTAL (2)	200,000		
<i>NAVIGATION</i>		<i>MAJOR REHABILITATION</i>	
CNMI Navigation Improvements, CNMI	100,000	AR Ozark Powerhouse, AR	1,230,000
SUBTOTAL (1)	100,000	IA Lock and Dam 11, Mississippi River, IA	3,210,000
		SUBTOTAL (2)	4,440,000
<i>SPECIAL STUDIES</i>		<i>NAVIGATION</i>	
NATL National Shoreline	300,000	MD Baltimore Harbor Anchorages and Channels, MD & VA	5,000,000
SUBTOTAL (1)	300,000	NY Arthur Kill Channel, Howland Hook Marine Terminal, NY & NJ	5,000,000
		SUBTOTAL (2)	10,000,000
<i>PRECONSTRUCTION, ENGINEERING AND DESIGN</i>		<i>SHORE PROTECTION</i>	
		MD Assateague Island, MD	2,500,000
		SUBTOTAL (1)	2,500,000
<i>FLOOD CONTROL</i>		<i>REMAINING ITEMS</i>	
MD Cumberland, MD	700,000	NAT'L Recreation Modernization Program	27,000,000
SUBTOTAL (1)	700,000	NAT'L Riverine Ecosystem Restoration and Flood Hazard Mitigation Program	20,000,000
		SUBTOTAL (2)	47,000,000
<b>TOTAL - GENERAL INVESTIGATIONS (10)</b>	<b>3,400,000</b>	<b>TOTAL - CONSTRUCTION, GENERAL (14)</b>	<b>78,275,000</b>